

River Lakes and Coorong Action Group Inc

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Winner 2009 Jill Hudson Environmental Award

Submission to Competition and Consumer (Price Inquiry—Water Markets in the Murray-Darling Basin) Direction 2019

About the River Lakes and Coorong Action Group

The River Lakes and Coorong Action Group (RLCAG) is an independent community organisation with a track record of more than 13 years' advocacy for the health of the Murray Darling Basin system.

The River is the main stakeholder in our organisation. We are critically concerned with the health of the river system as a whole, with a fair allocation of water for all users as well as the environment.

We have engaged with Murray Darling Basin matters through submissions, symposia, meetings and campaigns since 2006 when the group formed to stop the building of a weir at Wellington. Members of the organisation were closely involved in the development of the Murray Darling Basin Plan.

Membership of RLCAG includes community members, farmers, fishers, scientists, environmentalists, tourism operators and other small business owners from around the region of Lake Alexandrina, Lake Albert, the Coorong and Murray Mouth. The group as a whole holds considerable practical and scientific local knowledge.

Killing the Goose that laid the Golden egg : the precarious Australian Water Market

In this submission we will focus on the underlying anomaly on which the water market is founded and the urgent need to meet the requirements of the Water Act 2007 and its instrument, the Basin Plan.

The Australian water market is in a precarious position. Water is a commodity which has both a real and perceived value. Not immediately, but ultimately, this value will be affected by the quantity of the commodity.

In the case of the Australian water market, the market has been legislated into existence as part of broader legislation which seeks to provide the same commodity equitably to a wide range of users, including to ensure sufficient water for the ongoing provision of the commodity itself, which actually can only be achieved through the health of the environment. This seems to be an anomaly.

The amount of water available has been seriously reduced by ongoing drought, further impacted by the failure of governments to provide proper accounting of the quantity of water in the system, ineffective regulation of the market, and limited success of water management to date. The water market has been further undermined by the fact that the river system was over-allocated at the time the market was created (ie more of the commodity had been given away

than existed in the system.) Since the water market was created the number of users has increased, with new investors and new projects using the commodity well beyond capacity.

In turn this has had the effect of inflating the price of water to the point of excluding traditional water users - Indigenous traditional owners, Australian family farmers and fishers, recreational users and the environment - in favour of larger capital-rich agricultural enterprises and market investors.

This does not achieve the intent of the Water Act 2007.

The logical extension of this situation into the future is the end of small to medium scale agriculture, final degradation of the natural asset, and a collapsed water market.

Water market as enacted inconsistent with legislation

To date, implementation of the water market has not been consistent with the legislation

Provision for trading comes under Clause 10 of the 2007 Water Act as per current version, with details set out in Schedule 3, **Basin water market and trading objectives and principles**

The text of the [Murray-Darling Basin Agreement](#) is to:

"promote and co-ordinate effective planning and management for the equitable, efficient and sustainable use of the water and other natural resources of the Murray-Darling Basin, including by implementing arrangements agreed between the Contracting Governments to give effect to the Basin Plan, the Water Act and state water entitlements".

Water Act 2007 Schedule 3 Section 4 Clause 10 makes clear a number of environmental as well as social wellbeing considerations need to be factored into the operation of the water market.

Section 6 sets out that trades must not:

(a) cause an increase in commitments to [take](#) water from [water resources](#) or parts of [water resources](#); or

(b) increase seasonal reversals in flow regimes; above sustainable levels identified in relevant water resource plans such that environmental water or water dependent ecosystems are adversely affected.

This has been demonstrated across the Basin, perhaps most publicly in the draining of the Menindee Lakes and subsequent destruction of the Lower Darling River.

Water market in its current form does not have a social licence

At the moment the water market is not meeting the intent and purpose of the Water Act, it is not bound by environmental considerations, and it is actually operating against the socio-economic interests of agricultural communities in the Basin.

We wonder whether Australians are prepared for privatisation of water.

With the impact of a drying planet the price of water may prove to be not inflated in years to come but governments that take away water from their constituents are surely failing their mandate.

In this context we reference two recent social media items:

1. **[Tolarno Station](#)** Saturday 23 November 2019 6 am ·

The Howard government handed the most valuable commodity we have as a nation to big business, and greed has killed our rivers. The current greed ,policies and corruption of successive labor then liberal

governments has led to the destruction of the rivers. To date the Australian taxpayers have handed the few \$8 billion ,with no genuine water being returned for that mammoth outlay. The corruption will continue as the powerful can silence the press and the city based nation of Australia not be aware of the destruction of their heartland .We must have the Royal Commission to expose the truth, as honest farmers and irrigators have been destroyed over recent years as the greedy few profiteer. Water has become blood money, as too many farmers have given up and suicide because they can't source the water their families have utilised for many generations as previous generations respected the river. We must have a quantum leap back to integrity of the river system ,and that won't come until we investigate those who think they own licences that grant them control of our rivers. First Nation Australians must play a pivotal roll in the return of honest management back into our rivers and future on this continent

2. <https://www.ecologise.in/2019/11/17/the-new-water-barons-wall-street-is-buying-up-the-worlds-water/?fbclid=IwAR2LDNbW1udBGgSq3-YAyT5OmpaYFxi-f03TwLn0ihUz81pNb6GJ7n3-8BI>

The Great Water Grab: Wall Street is buying up the world's water
Written by [Contributor](#), 17th November 2019, [0 Comments](#)

Jo-Shing Yang reports on how Wall Street banks like Citigroup and multibillionaires are buying up water sources all over the world at unprecedented pace. Simultaneously, governments are moving fast to limit citizens' ability to become water self-sufficient. Also read an investigative report from **The Guardian**: Liquid assets: how the business of bottled water went mad

[Jo-Shing Yang, Global Research](#)

A disturbing trend in the water sector is accelerating worldwide. The new “water barons” — the Wall Street banks and elitist multibillionaires — are buying up water all over the world at unprecedented pace. Familiar mega-banks and investing powerhouses such as Goldman Sachs, JP Morgan Chase, Citigroup, UBS, Deutsche Bank, Credit Suisse, Macquarie Bank, Barclays Bank, the Blackstone Group, Allianz, and HSBC Bank, among others, are consolidating their control over water. Wealthy tycoons such as T. Boone Pickens, former President George H.W. Bush and his family, Hong Kong's Li Ka-shing, Philippines' Manuel V. Pangilinan and other Filipino billionaires, and others are also buying thousands of acres of land with aquifers, lakes, water rights, water utilities, and shares in water engineering and technology companies all over the world.

The second disturbing trend is that while the new water barons are buying up water all over the world, governments are moving fast to limit citizens' ability to become water self-sufficient (as evidenced by the well-publicized Gary Harrington's case in Oregon, in which the state criminalized the collection of rainwater in three ponds located on his private land, by convicting him on nine counts and sentencing him for 30 days in jail). Let's put this criminalization in perspective: Billionaire T. Boone Pickens owned more water rights than any other individuals in America, with rights over enough of the Ogallala Aquifer to drain approximately 200,000 acre-feet (or 65 billion gallons of water) a year. But ordinary citizen Gary Harrington cannot collect rainwater runoff on 170 acres of his private land.

It's a strange New World Order in which multibillionaires and elitist banks can own aquifers and lakes, but ordinary citizens cannot even collect rainwater and snow runoff in their own backyards and private lands. “Water is the oil of the 21st century.” Andrew Liveris, CEO of DOW Chemical Company (quoted in The Economist magazine, August 21, 2008)

And following. Complete article can be found at: <https://www.ecologise.in/2019/11/17/the-new-water-barons-wall-street-is-buying-up-the-worlds-water/?fbclid=IwAR2LDNbW1udBGgSq3-YAyT5OmpaYFxi-f03TwLn0ihUz81pNb6GJ7n3-8BI>

Recommendations

The River Lakes and Coorong Action Group supports the Basin Plan which is the instrument of the Water Act. We believe it is a time to focus on achieving the outcomes of the Plan as legislated.

Recommendation: We believe there is a need for the prompt intervention of the federal government and water buybacks as the only way of achieving the purpose of the Water Act. In the immediate future, and until the Plan is implemented, the federal government must control a portfolio of water sufficient to bring the market into line with its legislated obligations to the environment and the socio-economic wellbeing of communities. In principle the River Lakes and Coorong Action Group supports lifting the 1500 Gl cap on water buybacks and the buyback of water by the Federal government to restore the health of the river system and the market.

The River Lakes and Coorong Action Group is also a signatory to the submission of the **Lifblood Alliance** to this review and we support the recommendations of this group in particular to:

1. Establish a National Water Trading Exchange to increase transparency and improve capacity to better manage third-party and environmental impacts.
2. Increase Federal responsibility for the alignment of State regulations and policies. Many of the third-party and environmental impacts are the result of, or enhanced by, state divisions and misalignment of policies.

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